Commercial and Industrial

PROJECTIONS

for Ottawa-Carleton and subareas, 1986-2011

Policy and Programs Division
Planning Department
Regional Municipality of Ottawa-Carleton
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Commercial and Industrial Construction Projections for Ottawa-Carleton and subareas, 1986-2011

Introduction

As part of the review of Ottawa-Carleton's development charges an assessment is required of the amount of square footage of non-residential development likely to be built to 2011.

Projection methodology

Based on data received from area municipalities the average annual square footage of commercial (office and retail) and industrial space constructed in the years 1986-89 was calculated at 6,380,000. The advice of area municipal staff was that this period should be considered abnormaly high, with a number of large scale projects, and is not likely to be repeated.

In order to verify this advice a check was made on past development trends. Statistics Canada building permit data for commercial and industrial construction from 1966-1989 for the Ontario part of the CMA were converted to constant 1981 dollars. This revealed 1986-89 activity to be 60% above the 24 year average, as shown in Table 1 (all figures are for the calendar year).

Table 1
Average Annual Value of Commercial/ Industrial Building Permits (Constant 1981 $, millions)

1966-70	167
1971-75	169
1976-80	96
1981-85	170
1986-89	268
Average 1966-89	170

Based on $268 million in annual construction and 6.38 million square feet of building space per year, construction costs in the 1986-89 period in 1981 dollars averaged $42 per square foot. The amount of industrial and commercial space constructed in the 1966-89 period is therefore estimated to be approximately 4,044,000 square feet annually. However this includes the abnormally slow 1976-80 period when major office and retail development took place in Hull. Setting this period aside, a figure of approximately 4,500,000 square feet per year is judged adequate for purposes of the regional development charge study.

Institutional buildings(schools, local government, utilities), are also classified as non- residential. However they are not included because complete figures for every area municipality are not available. Federal and provincial government buildings are included as commercial space.

Distribution

Using the projected figure of approximately 4,500,000 square feet of commercial/industrial space, staff of area municipalities made their assessment of total square footage likely to be constructed by location in their municipality. These figures were then adjusted by regional staff following the verification procedure described below.

Verification

As a check, the projected square footage increases were converted to employment growth. The region's draft employment projections, associated with a 2011 population of 871,000, are for about 560,000 jobs.

Conversion to jobs used the following assumptions (noted on Table 2).

- 7% vacancy
- 11% to 12.5% conversion from gross to net floor area.
- 335 commercial, 675 industrial square foot/employee, which assumes roughly a 10% rise in commercial square feet/employee over current level (figures based on City of Ottawa PDIS data for office at 260-300 sq. ft., retail at 360-400 sq. ft., and the mid-point between light and medium industrial(550-800 sq. ft.).
- redevelopment as a percentage of new construction varying from 0 to 15%, as listed in the table.

As shown in Table 2, 2011 employment is estimated at about 555,000 jobs. This makes no allowance for institutional, and may therefore be slightly high. However, for purposes of development charges, a slightly high figure is considered preferable to one that was too low and resulted in excess charges on development.

Finalized figures for commercial/industrial construction are presented in Table 3.

TABLE 2. ESTIMATED EMPLOYMENT 1986–2011

	TOTAL SQ.FT. BUILT 1986–2011 (000s)				ESTIMATED ADDITIONAL EMPLOYMENT				
AREA	Commercial	Industrial	Total	% Redevelopment	Commercial	Industrial	Total Added	1986 Employment	TOTAL 2011 Employment
OTTAWA	31,610	14,164	45,774	15	65,266	14,763	80,029	253,805	333,834
VANIER	746	0	746	15	1,540	0	1,540	5,210	7,750
NEPEAN Total	8,622	16,318	24,940	-	20,058	19,158	39,216	37,120	76,336
- inside grnblt	6,410	12,272	18,682	5	14,792	14,296	29,088	31,545	60,633
- outside grnblt	2,212	4,046	6,258	2	5,266	4,862	10,128	5,575	15,703
GLOUC. Total	18,968	7,565	26,532	-	43,864	8,845	52,709	25,110	77,819
- inside grnblt	15,141	4,853	19,994	5	34,941	5,654	40,594	17,353	57,947
- outside grnblt	3,827	2,711	6,538	4	8,923	3,192	12,115	7,757	19,872
KANATA	5,678	2,922	8,600	2	13,517	3,511	17,028	8,260	25,288
CUMBERLAND	4,642	1,992	6,634	2	11,050	2,394	13,444	2,490	15,934
GOULBOURN	2,564	1,338	3,902	2	6,104	1,608	7,712	2,120	9,832
RIDEAU	246	100	346	2	586	120	706	1,725	2,431
OSGOODE	242	488	730	2	576	586	1,163	1,820	2,983
W. CARLETON	246	484	730	2	586	582	1,167	1,960	3,127
RMOC	73,564	45,371	118,993	-	163,146	51,567	214,714	340,620	555,334
CARLETON SCHOOL BOARDS AREA	41,208	31,207	72,414						

ASSUMPTIONS:	Commercial	Industrial
sq.ft/employee	335	675
net : gross ratio	12.5	11.0
vacancy rate	7	7
% redevelopment:	as listed in column	

TABLE 3. COMMERCIAL/INDUSTRIAL SQ. FT. PER YEAR (000s)

BUILDING PERMITS 1986-89	Comm'l	Ind'l	Total	% of Total
OTTAWA	1850	831	2681	42.1
VANIER	29	0	29	0.5
NEPEAN Total	823	697	1520	23.9
inside grnblt	808	693	1501	23.6
outside grnblt	16	4	20	0.3
GLOUC. Total	1217	337	1554	24.4
inside grnblt	1095	303	1399	22.0
outside grnblt	122	34	155	2.4
KANATA	182	93	275	4.3
CUMBERLAND	78	33	111	1.7
GOULBOURN	91	47	138	2.2
RIDEAU	9	0	9	0.1
OSGOODE (est)	8	17	25	0.4
W. CARLETON (est)	9	16	25	0.4
RMOC	4296	2071	6367	100.0

1996-2000	Comm'l	Ind'l	Total	% of Total
OTTAWA	1170	520	1690	38.4
VANIER	30	0	30	0.7
NEPEAN Total	210	680	890	20.2
inside grnblt	40	440	480	10.9
outside grnblt	170	240	410	9.3
GLOUC. Total	644	319	965	21.9
inside grnblt	500	220	720	16.4
outside grnblt	144	99	243	5.5
KANATA	230	110	340	7.7
CUMBERLAND	190	80	270	6.1
GOULBOURN	100	50	150	3.4
RIDEAU	10	0	10	0.2
OSGOODE	10	20	30	0.7
W. CARLETON	10	20	30	0.7
RMOC	2604	1799	4405	100.0

1990-1995	Comm'l	Ind'l	Total	% of Total
OTTAWA	1310	590	1900	40.4
VANIER	30	0	30	0.6
NEPEAN Total	480	580	1060	22.6
inside grnblt	430	500	930	19.8
outside grnblt	50	80	130	2.8
GLOUC. Total	780	220	1000	21.3
inside grnblt	660	190	850	18.1
outside grnblt	120	30	150	3.2
KANATA	200	100	300	6.4
CUMBERLAND	130	60	190	4.0
GOULBOURN	100	50	150	3.2
RIDEAU	10	0	10	0.2
OSGOODE	10	20	30	0.6
W. CARLETON	10	20	30	0.6
RMOC	3060	1640	4700	100.0

2001-2011	Comm'l	Ind'l	Total	% of Total
OTTAWA	1050	470	1520	35.1
VANIER	30	0	30	0.7
NEPEAN Total	140	665	805	18.6
inside grnblt	40	430	470	10.9
outside grnblt	100	235	335	7.7
GLOUC. Total	620	330	950	22.0
inside grnblt	430	140	570	13.2
outside grnblt	190	190	380	8.8
KANATA	260	140	400	9.2
CUMBERLAND	260	110	375	8.6
GOULBOURN	110	60	170	3.9
RIDEAU	10	10	20	0.5
OSGOODE	10	20	30	0.7
W. CARLETON	10	20	30	0.7
RMOC	2500	1825	4330	100.0

NOTES:

1. Government is assigned to "Commercial". All Institutional uses are considered exempt from development charges, hence not included in projections.
2. All dates are for the calendar year.